

RECORDATION NO. 24193A FILED

MAY 06 '03

4-42 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

May 6, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of Amendment No. 1 to Memorandum of Mortgage, dated as of May 6, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 24193.

The names and addresses of the parties to the enclosed document are:

Debtor:	Babcock & Brown Rail Funding LLC 230 Park Avenue 32 nd Flr. New York, NY 10169
Secured Party:	Bayerische Hypo-Und Vereinsbank AG, as Agent FPA 4 Lease/Asset Finance Am Tucherpark 1 (FPA) 80538 Munich Germany

Mr. Vernon A. Williams
May 6, 2003
Page Two

A description of the railroad equipment covered by the enclosed document is:

There is no additional railroad equipment associated with this filing

A short summary of the document to appear in the index is:

Amendment No. 1 to Memorandum of Mortgage

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", written in a cursive style.

Robert W. Alvord

RWA/anr
Enclosures

RECORDATION NO. 24193-A FILED

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SURFACE TRANSPORTATION BOARD

AMENDMENT NO. 1 TO MEMORANDUM OF MORTGAGE
AND SECURITY AGREEMENT SUPPLEMENT NO. 1

This AMENDMENT NO. 1 TO MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT SUPPLEMENT NO. 1 dated as of May 6, 2003 (this "Amendment"), between BABCOCK & BROWN RAIL FUNDING LLC ("BBRF") and BAYERISCHE HYPO- UND VEREINSBANK AG, not in its individual capacity but solely as Agent (the "Agent"), to (a) the Memorandum of Mortgage made and entered into as of October 31, 2002 (as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "Memorandum") and (b) Security Agreement Supplement No. 1 dated October 31, 2002 to the Amended and Restated Security Agreement dated as of October 18, 2002, made by BBRF in favor of the Agent (as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "Security Supplement"). Capitalized terms used herein without definition shall have the respective meanings ascribed thereto (or incorporated by reference) in the Security Supplement, which also contains rules of usage that apply to terms defined therein and herein.

W I T N E S S E T H :

WHEREAS, (a) BBRF is a party to the Memorandum, a copy of which was duly filed pursuant to the provisions of 49 U.S.C. Section 11301(a) with the Surface Transportation Board on October 31, 2002 under Recordation No. 24193 and (b) BBRF and the Agent are parties to the Security Supplement.

WHEREAS, BBRF and the Agent wish to make certain amendments to Exhibit B to the Memorandum and Schedule I to the Security Supplement.

NOW, THEREFORE, in consideration of the premises and One Dollar (\$1.00) and other consideration, the receipt and sufficiency of which are hereby acknowledged, BBRF and the Agent hereby agree as follows:

Article 1. Amendment to Memorandum. Exhibit B to the Memorandum is hereby amended by (a) deleting in the first line of the fourth document listed under the caption "Lease #1" the words "June 12, 2002" and inserting in lieu thereof the words "June 17, 2002" and (b) inserting as the eleventh document listed under the caption "Lease #1" the following: "Amendment No. 1 to Assignment and Assumption Agreement dated as of May 6, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC".

Article 2. Amendment to Security Supplement. Schedule I to the Security Supplement is hereby amended by (a) deleting in the first line of item 4 under the caption "List of Leases and Other Operative Agreements" the words "June 12, 2002" and inserting in lieu

thereof the words "June 17, 2002" and (b) inserting as item 11 under the caption "List of Leases and Other Operative Agreements" the following: "Amendment No. 1 to Assignment and Assumption Agreement dated as of May 6, 2003, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC".

Article 3. Continued Effect; Counterparts. Except as expressly amended hereby, each of the Memorandum and the Security Supplement remain in full force and effect, and each of the parties hereto hereby expressly affirms its respective obligations hereunder and thereunder notwithstanding the amendments effected hereby. As from the date of this Amendment, any reference to the Memorandum or the Security Supplement in any Basic Document shall mean the Memorandum or the Security Supplement, as the case may be, as amended hereby. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which, taken together, shall constitute one and the same instrument.

Article 4. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW RULES THEREOF, OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, BBRF and the Agent have caused this Amendment No. 1 to Memorandum of Mortgage and Security Supplement to be executed by an officer thereunto duly authorized, all as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC

By 
Name: Victoria McManus
Title: President

BAYERISCHE HYPO- UND VEREINSBANK AG,
not in its individual capacity, except as expressly
provided herein, but solely as Agent

By _____
Name:
Title:

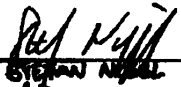
By _____
Name:
Title:

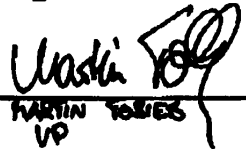
IN WITNESS WHEREOF, BBRF and the Agent have caused this Amendment No. 1 to Memorandum of Mortgage and Security Supplement to be executed by an officer thereto duly authorized, all as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC

By _____
Name:
Title:

BAYERISCHE HYPO- UND VEREINSBANK AG,
not in its individual capacity, except as expressly
provided herein, but solely as Agent

By 
Name: STEPHAN APPEL
Title: MD

By 
Name: MARTIN TOLLIES
Title: VP

State of New York)
)
County of New York)

Subscribed to me on this, the 5th day of May, 2003, by before me, a Notary Public in and for said County and State, personally appeared Victoria McManus, the President of Babcock & Brown Rail Funding LLC, who acknowledged herself to be a duly authorized officer of Babcock & Brown Rail Funding LLC, and that, as such officer, being authorized to do so, she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: *Jennifer Moreno*
Notary Public

My Commission Expires: *Jennifer Moreno*
Notary Public, State of New York
No. 01M06056946
Qualified in Queens County
Commission Expires January 24, 2006

(SEAL)

State of New York)
)
County of New York)

Subscribed to me on this, the 14th day of May, 2003 by Stefan Niggli, Managing Director of Bayerische Hypo- und Vereinsbank AG and Martin Tobies, Vice President of Bayerische Hypo- und Vereinsbank AG.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Annette Bunzel
Notary Public

My Commission Expires: _____

Residing in: _____

ANNETTE BUNZEL
Notary Public, State of New York
No. 34-3800860
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires April 30, 20 27

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

5/6/03



Robert W. Alvord